**ST JOSEPH’S COLLEGE (AUTONOMOUS),BANGALORE - 27**

DATE: 3-4-19

**SEMESTER EXAMINATION- APRIL-2019**

**ECONOMICS-IVSEMESTER**

**ECS OE 4118: Basic Microeconomics for Non-Economists**

**Supplementary candidates only**

**Attach the question paper to the answer booklet**

### Duration: 1.5 Hrs Max Marks: 35

**This question paper has ONE printed page and THREE parts**

**PART A: Answer any FIVEof the following questions 5x2=10**

1. Define Opportunity cost.
2. Define marginal revenue.
3. Are Sunk costs relavent to production? Explain your answer.
4. Define Transaction costs.
5. Economics suggests that in a competitive market, suppliers gain at the cost of consumers. Do you agree? Defend your answer.
6. What condition would generate a surplus of a good?

**PART B: Answer any THREE of the following questions 3x5=15**

1. What is the notion of wealth from an economic point of view. Is wealth the same as material wealth? Explain your answer.
2. Explain the difference between demand curve and quantity demanded. Show using an example.
3. State and explain the basic rule of maximizing net revenue (for a producer).
4. In the context of a specific good, how are substitutes and price elasticity related?

**PART C: Answer any ONE of the following questions 1x10=10**

1. Explain the theory of Comparative Advantage.
2. Government has set a ceiling price of fuel below the market-clearing price. Graphically describe this and discuss the consequences.

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